



BILLING CODE (3410-XY-U)

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Inviting Applications for Value-Added Producer Grants

AGENCY: Rural Business-Cooperative Service, USDA

ACTION: Notice of Funding Availability (NOFA)

SUMMARY: USDA announces the availability of competitive grant funding through the Value-Added Producer Grant (VAPG) program. Approximately \$10.5 million in carry over funding from fiscal year (FY) 2013 is available to help agricultural producers enter into value-added activities. This NOFA is being published prior to the Congressional enactment of a full-year appropriation for FY 2014. Should additional funding be made available during FY 2014 for this program RBS will continue to fund applications received under this announcement based upon the applications score. At this time, the exact amount of funding that will be made available to this program for FY 2014 is unknown. Anyone interested in submitting an application for funding under this program should consult the Rural Development Value Added Producer Grant Program website at [http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html) periodically for updated information regarding any FY 2014 funding for the program.

The program purpose is to help U.S. agricultural producers enter into value-added activities. Awards may be made for either economic planning or working capital activities related to the processing and/or marketing of valued-added agricultural products. The maximum grant amount for a planning grant is \$75,000 and the maximum grant amount for a working capital grant is \$200,000.

There is a matching funds requirement of at least \$1 for every \$1 in grant funds provided by the Agency (matching funds plus grant funds must equal proposed total project costs). Matching funds may be in the form of cash or eligible in-kind contributions and may be used only for eligible project purposes. Matching funds must be available at time of application and must be certified and verified as described in 7 CFR 4284.931(b)(3) and (4).

7 CFR 4284.925 and 7 U.S.C. 1632(a) provide for the reservation of ten percent of available funds for applications submitted by Beginning and Socially Disadvantaged Farmers or Ranchers, and an additional ten percent of available funds for applications from farmers or ranchers proposing development of Mid-Tier Value Chains. For this announcement, Reserved Funds were not obligated prior to June 30, 2013 as required by 7 CFR 4284.925 and 7 U.S.C. 1632(a). Therefore, no reserves are available to fund these categories from FY 2013 carry over monies. However, 7 CFR 4284.925 and 7 U.S.C. 1632(a) allow the Secretary to repurpose and reuse these funds for the general VAPG competition. Beginning and Socially-Disadvantaged Farmers or Ranchers and applicants proposing Mid-Tier Value Chains can still compete and benefit by receiving priority through the award of Priority Points. Should FY 2014 funds become available, 20 percent of those funds will be reserved for these categories.

DATES: You must submit your application by [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] or it will not be considered for funding that may be announced in a subsequent Notice. Paper applications must be postmarked and mailed, shipped or sent overnight by this date. You may also hand carry your application to one of our field offices, but it must be received by close of business on the deadline date. Electronic applications are permitted via <http://www.grants.gov> only, and must be received before midnight Eastern Time on this date. Late applications are not eligible for grant funding under this Notice.

ADDRESSES: You should contact your USDA Rural Development State Office if you have questions about eligibility or submission requirements. You are encouraged to contact your State Office well in advance of the application deadline to discuss your project and to ask any questions about the application process. You may request technical assistance from your State Office up to 14 days prior to the application deadline.

Application materials are available at [http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html).

If you want to submit an electronic application, follow the instructions for the VAPG funding announcement on <http://www.grants.gov>. Please review the Grants.gov Web site at [http://grants.gov/applicants/organization\\_registration.jsp](http://grants.gov/applicants/organization_registration.jsp) for instructions on the process of registering your organization as soon as possible to ensure you are able to meet the electronic application deadline. If you want to submit a paper application, send it to the State Office located in the State where your project will primarily take place.

You can find State Office Contact information at

<http://www.rurdev.usda.gov/StateOfficeAddresses.html>.

FOR FURTHER INFORMATION CONTACT: Grants Division, Cooperative Programs, Rural Business-Cooperative Service, United States Department of Agriculture, 1400 Independence Avenue, S.W., MS-3250, Room 4016-South, Washington, D.C. 20250-3250, or call 202-720-8460.

#### SUPPLEMENTARY INFORMATION:

##### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act, the paperwork burden associated with this Notice has been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570-0039.

#### I. Funding Opportunity Description

##### A. Authority

The VAPG Program is authorized under section 231 of the Agriculture Risk Protection Act of 2000 (P. L. 106-224), as amended by section 6202 of the Food, Conservation, and Energy Act of 2008 (P. L. 110-246) (see 7 U.S.C. 1632a). Applicants must adhere to the program requirements contained in the program regulation, 7 CFR 4284, subpart J, which is incorporated by reference in this Notice.

##### B. Purpose of the Program

The primary objective of this grant program is to assist Independent Producers of agricultural commodities, Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Businesses in starting or

expanding value-added activities related to the processing and/or marketing of bio-based value-added agricultural products. Grants will be awarded competitively for either planning or working capital projects directly related to the processing and/or marketing of value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals. All proposals must demonstrate economic viability and sustainability in order to compete for funding.

Funding priority will be available to Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, Operators of Small and Medium-Sized Farms and Ranches structured as Family Farms, Farmer or Rancher Cooperatives, and projects proposing to develop a Mid-Tier Value Chain. See 7 CFR 4284.922(c) for Reserved Funding (for available FY 2014 funds only) and 7 CFR 4284.922(d) for Priority Point categories and requirements.

### C. Definition of Terms

The terms you need to understand are defined in 7 CFR 4284.902.

## II. Award Information

Type of Instrument: Grant

Minimum Award Amount: Not restricted for planning or working capital. In FY 2012, 40 percent of awards were \$50,000 or less.

Maximum Award Amount: Planning--\$75,000; Working Capital--\$200,000

Anticipated Award Date: April 15, 2014

Grant Period Length: The maximum grant period is 3 years from date of award.

Proposed grant periods should be scaled to the complexity of the objectives of the

project, as described in the budget and work plan.

### III. Eligibility Information

#### A. Eligible Applicants

1. Type of applicant. You must demonstrate that you meet all definition requirements at 7 CFR 4284.902 for one of the following applicant types: independent producer, agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture.

- Note: If you are an unincorporated Steering Committee in the process of organizing one of the four applicant types that will operate a proposed value-added venture, it is the Agency's position that you may only apply as an Independent Producer applicant type and must be 100 percent comprised of Independent Producers at time of application submission. If selected for funding, the Steering Committee members must form a legally authorized organization that meets requirements for one of the four eligible applicant types and provide the necessary documentation before the grant agreement will be approved by the Agency.
- If you are a Harvester, it is the Agency's position that you may only apply as an Independent Producer applicant type because harvester operations do not meet Agency definition requirements for a Farm or Ranch. In addition, harvester applicants are not eligible to receive Reserved Funds or Priority Points for a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, Operator of a Small or Medium-sized Farm or Ranch structured

as a Family Farm, or a Farmer or Rancher Cooperative. However, Harvesters may request Reserved Funds and/or Priority Points for a qualifying Mid-Tier Value Chain project if eligibility is documented in the application. A Harvester is an individual or entity that can demonstrate a legal right to access and harvest a primary agricultural commodity. Individuals or entities that merely glean, gather or collect residual commodities that result from an initial harvesting or production of a primary agricultural commodity are not considered Harvesters and are not eligible for this program. Examples of Harvesters include, but are not limited to, a logger who has a legal right to access and harvest logs from the forest that are then converted into boards; a fisherman that has the legal right to access and harvest fish from the ocean or river that are then processed.

- Businesses that contract out the production of an agricultural commodity are not considered Independent Producers, and businesses that produce the agricultural commodity under contract for another business and do not own the raw commodity or value-added product produced are not considered Independent Producers.
- If the applicant is a federally-recognized Tribe or tribal entity, it must demonstrate that it meets the requirements for one of the four eligible applicant types. See the application toolkit and contact your Rural Development State Office for guidance via <http://www.rurdev.usda.gov/StateOfficeAddresses.html>.

## 2. Other Applicant Eligibility Requirements.

You must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number (see Section IV.B.) and register in the System for Awards Management (SAM) prior to submitting an application. (See 2 CFR 25.200(b).) In addition, you must maintain your registration in SAM during the time your application is active.

You must also meet all related applicant eligibility requirements for Citizenship, Legal Authority and Responsibility, Multiple Grants and Active Grants. Regarding multiple grants, applicants may not request additional planning or working capital grants for a project that has already received a planning or working capital grant. It is the position of the Agency that the program is intended to provide seed money to help producers launch value-added processing and marketing efforts and is not intended as a continuous source of capital.

In addition, regarding restrictions related to separate entities with common ownership or affiliation in 7 CFR 4284.920(e), it is the Agency's position that an applicant submit only one application in response to a solicitation, and that the following types of ownership, management and affiliation scenarios constitute multiple applications that are not allowed: (1) applications from separate entities with greater than 75 percent common ownership; (2) more than one application from a parent, subsidiary or affiliated organization (with "affiliation" defined by Small Business Administration regulation 13 CFR part 121.103 , or subsequent regulation). In cases where the Agency receives multiple grant requests as described above, ALL such applications will be deemed ineligible to compete for Federal funds.

You must also meet Departmental requirements related to debarment, suspension and exclusion from participation in Federal assistance programs, as well as requirements



related to outstanding Federal income taxes, judgments and delinquencies. See 7 CFR 4284.920 and 7 CFR 4284.921 for all applicant eligibility requirements.

3. Special Emphasis.

a) Food Hubs. Rural Development is encouraging applications that will support eligible activities related to the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products through regional food hubs. All program requirements are applicable and must be properly and completely executed to be considered for funding.

b) Tribal Entities. Rural Development encourages applications from Federally Recognized Tribal Groups and corporations and subdivisions of Tribal Groups undertaking or planning to undertake eligible value-added projects. All program application requirements are applicable and must be properly and completely executed to be considered for funding. Tribal eligibility and documentation questions may be directed to your local Rural Development State Office via <http://www.rurdev.usda.gov/StateOfficeAddresses.html>.

c) Bio-based Products. Applications from eligible entities supporting value-added activities related to bio-based products are also encouraged. Bio-based products are defined as commercial or industrial products composed of biological products or renewable domestic agricultural materials or forestry materials, including construction materials, fibers, papers, compost, fertilizer, lubricants, plastics and paint (see [http://www.biopreferred.gov/Biobased\\_Products.aspx](http://www.biopreferred.gov/Biobased_Products.aspx) for more information)

B. Project Eligibility

1. Product Eligibility.

You must meet requirements found at 7 CFR 4284.922(a), including:

a) The value-added product results from one of the five methodologies identified in the definition of value-added agricultural product at 7 CFR 4284.902.

b) Demonstrate that, as a result of the project, the customer base for the agricultural commodity or value-added product is expanded by including a baseline of current customers for the commodity, and an estimated target number of customers that will result from the project; and

c) Demonstrate that, as a result of the project, a greater portion of the revenue derived from the marketing or processing of the value-added product is available to the applicant producer of the agricultural commodity by including a baseline of current revenues from the sale of the agricultural commodity and an estimated target number of increased revenues that will result from the project.

## 2. Purpose Eligibility

Applicants for both planning and working capital grants must meet all requirements at 7 CFR 4284.22(b) regarding maximum grant amounts, certification and verification of matching funds, eligible and ineligible uses of grant and matching funds, a substantive work plan and budget, and identification of the number of jobs expected to be created or saved as a result of the project.

a) Planning Grants. A planning grant is used to fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture, and specifically for the purpose of paying for a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan associated

with the processing and/or marketing of a value-added agricultural product. Planning grant funds may not be used to fund working capital activities.

b) Working Capital Grants. This type of grant provides funds to operate a value-added project, specifically to pay the eligible project expenses related to the processing and/or marketing of the value-added product that are eligible uses of grant funds.

Working capital funds may not be used for planning purposes.

Applicants for working capital funds must document the quantity of the agricultural commodity that will be used for the value-added product, expressed in an appropriate unit of measure (acres, pounds, bushels, etc.) to demonstrate the scale of the applicant's project. This quantification must include an estimated total quantity of the agricultural commodity needed for the project, the quantity that will be provided (produced and owned) by the agricultural producers of the applicant organization, and the quantity that will be purchased or donated from third-party sources.

- Working capital requests of \$50,000 or more require submission of an independent, third party feasibility study and a business plan. You must submit these documents with your application. You must also summarize relevant results of the feasibility study and business plan in response to the scoring criteria, as applicable, because reviewers will not receive copies of your feasibility study or business plan when scoring your application. Based on the information presented in the application, you must demonstrate that the project is financially feasible and can achieve the income, credit and cash flows to sustain the venture over the long term. Applications with inadequate

information or projects deemed not financially feasible by the Agency will not be eligible to compete for grant funding. See 7 CFR 4284.922(b)(6).

- **Simplified Applications.** If you are requesting less than \$50,000 in working capital grant funds, you may submit a simplified application. See 7 CFR 4284.932. You are not required to provide an independent feasibility study or business plan. You are required to provide information to show the increases in customer base and revenues expected to be derived from the project that will benefit the producer applicants supplying the majority of the agricultural commodity for the project. Also see 7 CFR 4284.922(b)(6)(ii).
- **Market Expansion Proposals.** If you are an Independent Producer applicant type applying for a working capital grant of \$50,000 or more, and your project is for market expansion of an existing value-added product(s) that you have successfully produced and marketed for at least 2 years prior to the submission of the application, you must submit a business or marketing plan for the project, but are not required to submit a feasibility study. Your application must contain adequate information to demonstrate the increases in customer base and revenues expected to be derived from the project that will benefit the applicant producers supplying the majority of the agricultural commodity for the project. See 7 CFR 4284.922(b)(6)(i).

3. **Reserved Funds Eligibility.** Reserved Funds will be available only if Congress enacts a full year appropriation for FY 2014. To qualify for Reserved Funds as a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, or if you propose to develop a Mid-Tier Value Chain, you must meet the requirements found at 7

CFR 4284.922(c). If your application is eligible, but does not receive Reserve Funding, it will automatically be considered for general funds in that same fiscal year, as funding levels permit and in accordance with project ranking.

4. Priority Points. To qualify for priority points for projects that contribute to increasing opportunities for Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or if you are an Operator of a Small or Medium-sized farm or ranch structured as a Family Farm, propose a Mid-Tier Value Chain project, or are a Farmer or Rancher Cooperative, you must meet the eligibility requirements at 7 CFR 4284.922(d), 7 CFR 4284.923 and 7 CFR 4284.924.

5. Other Eligibility Requirements

a) Grant Period Eligibility. Your project timeframe or grant period can be a maximum of 36 months in length from the date of award. Your proposed grant period should begin no earlier than the anticipated award announcement date herein, April 15, 2014, and should end no later than 36 months following that date. If you receive an award, your grant period will be revised to begin on the actual date of award—the date the grant agreement is executed by the Agency—and your grant period end date will be adjusted accordingly. Your project activities must begin within 90 days of that date of award. If you request funds for a time period beginning before April 15, 2014, and/or ending later than 36 months from that date, your application will be ineligible. The length of your grant period should be based on your project's complexity, as indicated in your application work plan. For example, it is expected that most planning grants can be completed within 12 months. If you cannot finish your project during the approved timeframe, you may request an extension of up to 1 year from your local Rural

Development office. Extensions will be considered only if unavoidable or unforeseen circumstances prevent you from finishing your project. Extensions beyond 3 years from the actual date of award will not be considered.

b) Ineligible Expenses. Applications with ineligible expenses of more than 10 percent of total project costs will be ineligible to compete for funds. Eligible applications that are selected for award but contain ineligible expenses of 10 percent or less of total project costs must remove those ineligible expenses from the final project budget that is subject to approval by the Agency. See 7 CFR 4284.923 for examples of eligible planning and working capital use of funds, and see 7 CFR 4284.924 for examples of ineligible use of funds.

c) Completeness. If your application is incomplete, it is ineligible to compete for funds. Information submitted after the application deadline will not be accepted.

#### IV. Application and Submission Information

##### A. Address to Request Applications

The application toolkit, regulation, and official program notifications for this funding opportunity can be obtained online at

[http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html). Or, you can contact your USDA Rural Development State Office by visiting [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html).

The toolkit contains an application checklist, templates, required grant forms, and instructions. Although the Agency highly recommends their use, use of the templates is not mandatory.

B. Form of Submission

You may submit your application in paper form or electronically through Grants.gov. Your application must contain all required information.

To submit an application electronically, you must follow the instructions for this funding announcement at <http://www.grants.gov>. Please note that we cannot accept emailed or faxed applications. You can locate the Grants.gov downloadable application package for this program by using a keyword, the program name, or the Catalog of Federal Domestic Assistance Number for this program. When you enter the Grants.gov Web site, you will find information about submitting an application electronically through the site, as well as the hours of operation. To use Grants.gov, you must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number, which can be obtained at no cost via a toll-free request line at (866) 705-5711. Before submitting an application, you must also be registered and maintain registration in SAM (formerly the CCR database). (See 2 CFR part 25.) You may register in SAM at <https://www.sam.gov/portal/public/SAM/>. We strongly recommend that you do not wait until the application deadline date to begin the application process through Grants.gov. You must submit all of your application documents electronically through Grants.gov. After electronically submitting an application through Grants.gov, you will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number.

If you want to submit a paper application, send it to the State Office located in the State where your project will primarily take place. You can find State Office Contact information at: <http://www.rurdev.usda.gov/StateOfficeAddresses.html>. An optional-use

Agency application template is available online at

[http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html).

### C. Application Contents

Your application must contain all of the required forms and proposal elements described in 7 CFR 4284.931, unless otherwise clarified in this notice. You are encouraged, but not required to utilize the Application Toolkits found at [https://www.rurdev.usda.gov/BCP\\_VAPG.html](https://www.rurdev.usda.gov/BCP_VAPG.html). Basic application contents are outlined below:

#### 1. Required Forms

a) Standard Form (SF) 424, “Application for Federal Assistance,” to include your DUNS number and SAM (CAGE) code and expiration date. Because there are no specific fields for a CAGE code and expiration date, you may identify them anywhere you want to on the form. If you do not include the CAGE code and expiration date and the DUNS number in your application, it will not be considered for funding.

b) Form AD-3030, “Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants,” if you are a corporation. A corporation is any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

#### 2. Executive Summary and Abstract



A one-page Executive Summary containing the following information: legal name of applicant entity, application type (planning or working capital), applicant type, amount of grant request, a summary of your project, and whether you are submitting a simplified application, and whether you are requesting Reserved Funds. Also include an abstract of up to 100 words briefly describing your project.

### 3. Certification of Judgments.

You must certify that there are no current outstanding Federal judgments against your property and that you will not use grant funds to pay for any judgment obtained by the United States. To satisfy this certification requirement, you should include this statement in your application: “[INSERT NAME OF APPLICANT] certifies that the United States has not obtained an unsatisfied judgment against its property and will not use grant funds to pay any judgments obtained by the United States.” A separate signature is not required.

### 4. Project Proposal

#### a. Eligibility Discussion

#### b. Budget and work plan

#### c. Evaluation Criteria

- Performance evaluation criteria
- Proposal evaluation criteria

### 5. Certification and verification of matching funds

### 6. Reserved Fund and Priority Point documentation (as applicable)

### 7. Appendices

## D. Funding Limitations

Funding limitations and reservations found in the program regulation will apply.  
See 7 CFR 4284.925.

1. Use of Funds. Grant funds may be used to pay up to 50 percent of the total eligible project costs, subject to the limitations established for maximum total grant amount. Grant and matching funds may only be used for eligible purposes. (see examples of eligible and ineligible uses in 7 CFR 4284 sections 923 and 924, respectively).

Note that applicant-supplied inventory of the raw agricultural commodity that will be transformed into the value-added product must be verified as an applicant in-kind matching contribution, and not as an applicant cash matching contribution, regardless of applicant transfer arrangements with related parties (cooperatives, subsidiaries, etc.). Proposed applicant cash match for “purchase or buy-back” of their own raw agricultural commodity from related parties (cooperatives, subsidiaries, etc.) is not eligible.

2. If Program Income is earned during the grant period as a result of the project activities, it is subject to the requirements in 7 CFR 3019.24, and must be managed and reported accordingly.

3. Majority Controlled Producer-Based Business. The aggregate amount of awards to Majority Controlled Producer-Based Businesses in response to this announcement shall not exceed 10 percent of the total funds obligated for the program during the fiscal year.

4. Reserved Funds. Should FY 2014 funds become available, ten percent of total FY 2014 funding available will be used to fund projects that benefit Beginning Farmers or Ranchers, or Socially-Disadvantaged Farmers or Ranchers. In addition, 10

percent of total funding available will be used to fund projects that propose development of Mid-Tier Value Chains as part of a Local or Regional Supply Chain Network. See related definitions in 7 CFR 4284.902.

5. Disposition of Reserved Funds Not Obligated. For this announcement, any Reserved FY 2014 Funds that have not been obligated by June 30, 2014, will be available to the Secretary to make VAPG grants from the fund categories addressed at 7 CFR 4284.922 (c).

E. Intergovernmental Review

Executive Order (EO) 12372, “Intergovernmental Review of Federal Programs,” applies to this program. This EO requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments that have chosen to participate in that process. Those states have established a Single Point of Contact (SPOC) to facilitate this consultation. For a list of states that maintain an SPOC, please see the White House website: [http://www.whitehouse.gov/omb/grants\\_spoc](http://www.whitehouse.gov/omb/grants_spoc). If your state has an SPOC, you must submit a copy of the application directly for review. Any comments obtained through the SPOC must be provided to your State Office for consideration as part of your application.

V. Application Review Information

Applications will be reviewed and processed as described at 7 CFR 4284.940.

A. Application Eligibility and Notifications

The Agency will review your application to determine if it is complete and eligible. If at any time, the Agency determines that your application is ineligible, you

will be notified in writing as to the reasons it was determined ineligible and you will be informed of appeal rights.

If, at any time after you have submitted your application, you decide that you no longer want to request grant funding, you must notify the Agency in writing. Upon receipt of your notification, the Agency will rescind the award or withdraw the application, as applicable.

#### B. Application Scoring

The Agency will only score applications in which the applicant and project are eligible, which are complete and sufficiently responsive to program requirements, and in which the Agency agrees on the likelihood of financial feasibility for working capital requests. We will score your application according to the procedures and criteria specified in 7 CFR 4284.942, and with tiered scoring thresholds as specified below.

For each criterion, you must show how the project has merit and why it is likely to be successful. If you do not address all parts of the criterion, or do not sufficiently communicate relevant project information, you will receive lower scores. VAPG is a competitive program, so you will receive scores based on the quality of your responses. Simply addressing the criteria will not guarantee higher scores. The maximum number of points that can be awarded to your application is 100. For this announcement, the minimum score requirement for funding is 50 points.

The Agency application toolkit provides additional instruction to help you to respond to the criteria below.

##### 1. Nature of the Proposed Venture (graduated score 0 - 30 points).

For both planning and working capital grants, you should discuss the technological feasibility of the project, as well as the operational efficiency, profitability, and overall economic sustainability resulting from the project. In addition, demonstrate the potential for expanding the customer base for the agricultural commodity or value-added product, and the expected increase in revenue returns to the producer-owners providing the majority of the raw agricultural commodity to the project. You should reference third-party information that specifically supports your value-added project; discuss the value-added process you are proposing; potential markets and distribution channels; the value to be added to the raw commodity through the value-added process; cost and availability of inputs, your experience in marketing the proposed or similar product; business financial statements; and any other relevant information that supports the viability of your project. Working capital applicants should demonstrate these concepts that will result from the project. Planning grant applicants should describe the *expected results*, and the reasons supporting those expectations.

Points will be awarded as follows:

- i) 0 points will be awarded if you do not substantively address the criterion.
- ii) 1-5 points will be awarded if you do not address each of the following:  
technological feasibility, operational efficiency, profitability, and overall economic sustainability.
- iii) 6-13 points will be awarded if you address technological feasibility, operational efficiency, profitability, and overall economic sustainability, but do not reference third-party information that supports the success of your project.

iv) 14-22 points will be awarded if you address technological feasibility, operational efficiency, profitability, and overall economic sustainability, supported by third party information demonstrating a reasonable likelihood of success.

v) 23-30 points will be awarded if all criterion components are well addressed, supported by third-party information, and demonstrate a high likelihood of success.

2. Qualifications of Project Personnel (graduated score 0 - 20 points).

You must identify all individuals who will be responsible for completing the proposed tasks in the work plan, including the roles and activities that owners, staff, contractors, consultants or new hires may perform; and show that these individuals have the necessary qualifications and expertise, including those hired to do market or feasibility analyses, or to develop a business operations plan for the value-added venture. You must include the qualifications of those individuals responsible to lead or manage the total project (applicant owners or project managers), as well as those individuals responsible for actually conducting the various individual tasks in the work plan (such as consultants, contractors, staff or new hires). You must discuss the commitment and the availability of any consultants or other professionals to be hired for the project. If staff or consultants have not been selected at the time of application, you must provide specific descriptions of the qualifications required for the positions to be filled. Applications that demonstrate the strong credentials, education, capabilities, experience and availability of project personnel that will contribute to a high likelihood of project success will receive more points than those that demonstrate less potential for success in these areas.

i) 0 points will be awarded if you do not substantively address the criterion.

- ii) 1-4 points will be awarded if qualifications and experience of all staff is not addressed and/or if necessary qualifications of unfilled positions are not provided.
- iii) 5-9 points will be awarded if all project personnel are identified but do not demonstrate qualifications or experience relevant to the project.
- iv) 10-14 will be awarded if most key personnel demonstrate strong credentials and/or experience, and availability indicating a reasonable likelihood of success.
- v) 15-20 points will be awarded if all personnel demonstrate strong, relevant credentials or experience, and availability indicating a high likelihood of project success.

3. Commitments and Support (graduated score 0 - 10 points).

Producer commitments to the project will be evaluated based on the number of independent producers currently involved in the project; and the nature, level and quality of their contributions. End-user commitments will be evaluated on the basis of potential or identified markets and the potential amount of output to be purchased, as indicated by letters of intent or contracts from potential buyers referenced within the application. Other Third-Party commitments to the project will be evaluated based on the critical and tangible nature of their contribution to the project, such as technical assistance, storage, processing, marketing, or distribution arrangements that are necessary for the project to proceed; and the level and quality of these contributions. All cash or in-kind contributions from producers, end users, or other contributors should be discussed. End-user commitments may include contracts or letters of intent or interest in purchasing the value-added product. Letters of commitment by producers, end-users, and third-parties should be summarized as part of your response to this criterion, and the letters should be

included in Appendix B. Applications that demonstrate the project has strong direct financial, technical and logistical support to successfully complete the project will receive more points than those that demonstrate less potential for success in these areas. Points will be awarded as follows:

- i) 0 points will be awarded if you do not substantively address the criterion.
- ii) 1-3 points will be awarded if you show real, direct support from at least one producer, end-user, or other third-party contributor.
- iii) 4 -6 points will be awarded if you show real, high-quality, direct support or participation from at least one additional producer; AND measurable commitment or interest in purchasing the value-added product from at least one end-user; AND commitment or tangible support from at least one other third-party contributor.
- iv) 7-10 points will be awarded if you show real, high quality direct support or participation from multiple producers, AND measurable commitment or interest from multiple end-users, AND commitment or tangible support from multiple third-party contributors.

4. Work Plan and Budget (graduated score 0 - 20 points).

You must submit a comprehensive work plan and budget (for full details, see 7 CFR 4284.922(b)(5)). Your work plan must provide specific and detailed descriptions of the tasks and the key project personnel that will accomplish the project's goals. The budget must present a detailed breakdown of all estimated costs of project activities and allocate those costs among the listed tasks. You must show the source and use of both grant and matching funds for all tasks. Matching funds must be spent at a rate equal to, or in advance of, grant funds. An eligible start and end date for the project and for



individual project tasks must be clearly shown and may not exceed Agency specified timeframes for the grant period. Working Capital applications must include an estimate of Program Income expected to be earned during the grant period (see 7 CFR 3019.24).

- i) 0 points will be awarded if you do not substantively address the criterion.
- ii) 1-7 points will be awarded if the work plan and budget do not account for all project goals, tasks, costs, timelines, and responsible personnel.
- iii) 8-14 points will be awarded if you provide a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a reasonable likelihood of success.
- v) 15-20 points will be awarded if you provide a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a high likelihood of success.

5. Priority Points (lump sum score 0 or 10 points).

Priority Points may be awarded in both the general funds and Reserved funds competition. You may request priority points if you meet the requirements for one of the following categories and provide the documentation described in 7 CFR 4284.922(d), as applicable: Beginning Farmer or Rancher, or Socially-Disadvantaged Farmer or Rancher, or Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm, or Farmer or Rancher Cooperative, or Mid-Tier Value Chain project.

It is recommended that you use the Agency application package when applying for priority points and refer to the documentation requirements specified in 7 CFR 4284.922(d). Harvester operations are not considered a Farm or Ranch and are not eligible for priority points for a Beginning Farmer or Rancher, a Socially Disadvantaged

Farmer or Rancher, an Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm, or a Farmer or Rancher Cooperative; however, Harvester operations may request priority points for a qualifying Mid-Tier Value Chain project, as applicable. All qualifying applicants will receive 10 points. If you do not provide sufficient documentation you will receive 0 points.

6. Administrator Priority Categories (graduated score 0 - 10 points).

The Administrator of USDA Rural Development Business-Cooperative Service (RBS) may choose to award up to 10 points to an application to improve the geographic diversity of awardees in a fiscal year.

C. Selection of Applications

The Agency will select applications for award under this Notice in accordance with the provisions specified in 7 CFR 4284.950(a).

If your application is eligible and complete, it will be qualitatively scored by at least two reviewers based on criteria specified in section V.B. of this Notice. One of these reviewers will be a Rural Development employee from your servicing State Office and at least one additional reviewer will be a non-Federal, independent reviewer. The State Office may enlist the support of technical experts, qualified as described below and approved by the State Director, to assist the State Office scoring process. All reviewers must meet the following qualifications. All reviewers must meet the following qualifications. All reviewers must have at least bachelor's degree in one or more of the following fields: agri-business, agricultural economics, agriculture, animal science, business, marketing, economics or finance. All reviewers must also have a minimum of 8 years of experience in an agriculture-related field (e.g. farming, marketing, consulting,

or research; or as university faculty, trade association official or non-Federal government official in an agriculturally-related field). Each reviewer will score evaluation criteria 1 through 4 and the totals for each reviewer will be added together and averaged. The Rural Development State Office reviewer will also assign priority points based on criterion 5 in section V.B. of this Notice. These will be added to the average score. The sum of these scores will be ranked high to low and this will comprise the initial ranking.

The Administrator of RBS may choose to award up to 10 Administrator priority points based on criterion 6 in section V.B. of this Notice. These points will be added to the cumulative score for a total possible score of 100.

A final ranking will be obtained based solely on the scores received for criteria 1 through 6. Applications for reserved funding will be funded in rank order until funds are depleted. Unfunded reserve category applications will be returned to the general funds category where applications will be funded in rank order until the funds are expended. Funding for Majority Controlled Producer-Based Business Ventures (MAJ) is limited to 10 percent of total grant funds expected to be obligated as a result of this Notice. MAJ applications will be funded in rank order until the funding limitation has been reached. Grants to MAJ applicants from reserved funds will count against this funding limitation. In the event of tied scores, the Administrator shall have discretion in breaking ties.

If your application is ranked, but not funded, it will not be carried forward into the next competition. We will notify you in writing if your application is not selected for funding and inform you of any appeal rights. You may submit an updated application for consideration during the next round of funding.

## VI. Award Administrative Information

### A. Award Notices

If your application is successful, you will receive notification regarding funding from the State Office where your application is submitted or where the project will primarily take place if you submit your application via Grants.gov. You must comply with all applicable statutes, regulations, and notice requirements before the grant award will be approved. See 7 CFR 4284.951. If your application is not successful, you will receive notification, including appeal rights, by mail. See 7 CFR part 11.

### B. Administrative and National Policy Requirements.

1. Review or appeal rights. A person may seek a review of an Agency decision or appeal to the National Appeals Division in accordance with 7 CFR part 11.

2. Transparency Act Requirements. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation (see 2 CFR part 170). You will be required to have the necessary processes and systems in place to comply with the Transparency Act reporting requirements (see 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)).

3. Corporate applicants who receive an award under this Notice must sign Form AD- 3031, “Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants;”

4. Compliance with other laws and regulations. The provisions of 7 CFR 4284.905 applies to this Notice, which includes requiring applicants to be in compliance with other applicable Federal laws.

5. Monitoring and reporting program performance. The provisions of 7 CFR

4284.960 applies to this Notice.

6. Grant servicing. All grants awarded under this Notice shall be serviced in accordance with 7 CFR part 1951, subparts E and O as applicable, and the Departmental Regulations (7 CFR parts 3000-3099), with the exception that delegation of the post-award servicing of the program does not require the prior approval of the Administrator.

7. Transfer of obligations. Any transfer of funds obligated under this Notice from an applicant to a different applicant must comply with the requirements specified in 7 CFR 4284.962.

8. Grant close-out and related activities. The provisions of 7 CFR 4284.963 applies to this Notice.

9. Exception authority. The provisions of 7 CFR 4284.904 apply to this Notice.

10. Departmental regulations. Unless specifically stated otherwise in this Notice or in 7 CFR part 4284, subpart J, this Notice incorporates by reference the regulations of the Department of Agriculture's Office of Chief Financial Officer (or successor office) as codified in 7 CFR parts 3000 through 3099, including, but not necessarily limited to, 7 CFR parts 3015 through 3019, 7 CFR part 3021, 7 CFR part 3052, and 2 CFR parts 25, 170 and 417; and successor regulations to these parts.

11. Cost principles. This Notice incorporates by reference the cost principles found in 2 CFR part 230 and in 48 CFR part 31.2.

C. Environmental review.

All recipients under this Notice are subject to the requirements of 7 CFR part 1940,

subpart G and any successor regulations. However, 7 CFR 1940.333, 7 CFR 1940.310(c)(1) and 7 CFR 1940.317(g)(2) generally exclude applications for both planning and working capital grants.

## VII. Agency Contacts

If you have questions about this Notice, please contact the State Office as identified in the ADDRESSES section of this Notice. You are also encouraged to visit the application website for application tools, including an application guide and templates.

The web address is: [http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html).

## VIII. Nondiscrimination Statement

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should

contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue SW., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.

LILLIAN SALERNO  
Administrator  
Rural Business - Cooperative Service

Dated: November 19, 2013.

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